# Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of	)
JKM Consulting, Inc. d/b/a M <sup>2</sup> Connections <i>Transferor</i>	) )
	) WC Docket No. 18-323
and	)
Southern Light, LLC	)
Transferee	)
Application for Consent to Transfer Assets	)
From a Company Holding Domestic Authority	)
Pursuant to Section 214 of the	)
Communications Act of 1934, as Amended	)

## **AMENDMENT**

On October 19, 2018, JKM Consulting, Inc. d/b/a M² Connections ("M² Connections") and Southern Light, LLC ("Southern Light" and, together with M² Connections, the "Applicants") filed the above-captioned application with the Federal Communications Commission ("Commission") for authority pursuant to Section 214 of the Communications Act of 1934, as amended, (the "Act"),¹ and Section 63.04 of the Commission's Rules,² for a merger transaction (the "Transaction") in which M² Connections will transfer its regulated assets, as described in the application to Southern Light (the "Application").³ In the Application, Southern Light and M² Connections provided details for the post-consummation ownership of the assets, pursuant to Section

<sup>&</sup>lt;sup>1</sup> 47 U.S.C. § 214.

<sup>&</sup>lt;sup>2</sup> 47 C.F.R. § 63.04.

<sup>&</sup>lt;sup>3</sup> The Applicants also submitted a supplemental filing on November 2, 2018.

63.04(a)(4) of the Commission's Rules. This included the ten percent or greater (reportable) interests held in Southern Light's ultimate parent, Unity Group Inc. ("Uniti Group"), a publicly traded Maryland company.

Subsequent to the filing of the Application, Southern Light has learned that funds of The Vanguard Group Inc. ("Vanguard"), a U.S. based investment management company, have collectively acquired interests in Uniti Group (and indirectly in Southern Light) sufficient to trigger the ten percent reporting threshold. Accordingly, the Applicants submit this filing to amend, and update the information in, their Application.

#### 1. Ownership Information for Southern Light

In addition to the ownership information provided in Attachment 2 to the Application, Southern Light reports that Vanguard now holds an approximately 10.8 percent interest in Uniti Group:4

The Vanguard Group Inc. P.O. Box 2600 Valley Forge, PA 19482 Citizenship: U.S.

Principal Business: Investment Management

The President and Chief Executive Officer of Vanguard is Mortimer J. Buckley. The members of the Board of Directors are: F. William McNabb III (Chairman), Mortimer J. Buckley, Emerson U. Fullwood, Amy Gutmann, JoAnn Heffernan Heisen, F. Joseph

identification of affiliations resulting from Vanguard's interest in Uniti Group.

<sup>&</sup>lt;sup>4</sup> Neither Uniti Group nor Southern Light has a direct relationship with Vanguard outside the formulaic interactions between Uniti Group as a public company and Vanguard as a minority stockholder. Consequently, Applicants necessarily rely upon available public resources for the information regarding Vanguard's management as well as the

Loughrey, Mark Loughridge, Scott C. Malpass, Deanna Mulligan, Andre F. Perold, Sarah Bloom Raskin, and Peter F. Volanakis.<sup>5</sup>

Vanguard does not participate in the management of Uniti Group and does not exercise influence upon the management and operations of Uniti Group or its subsidiaries, including Southern Light. Moreover, consummation of the transaction will not directly affect the extent or value of Vanguard's holdings in Uniti Group.

No other individual or entity holds a ten percent or greater direct or indirect interest in Southern Light.

## 2. Affiliates as a Result of the Vanguard Ownership Interests

As an investment management company, Vanguard holds equity interests in numerous companies, including several regulated telecommunications providers.

Consequently, as a technical matter, Southern Light and the other Uniti Group operating subsidiaries are now affiliated with the other telecommunications providers in which Vanguard holds ten percent or greater interest. It warrants mention that neither Uniti Group nor its subsidiaries, including Southern Light, are in any respect controlled by, or under common management with any of those companies, through which to obtain detailed information responsive to Section 63.04(a)(7) of the Commission's rules.

Applicants therefore necessarily rely upon available public information – including recent

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<sup>&</sup>lt;sup>5</sup> See <a href="https://about.vanguard.com/who-we-are/our-leaders/">https://about.vanguard.com/who-we-are/our-leaders/</a>. The Commission has previously reviewed Vanguard as a disclosed interest-holder of regulated telecommunications companies, including in a recent 2018 transactional application by American Telephone Company LLC and Windstream Services, LLC (WC Docket No. 18-186). Southern Light understands from public sources, including the Commission's public notice in WC Docket No. 18-186, that all of the members of the Vanguard Board of Directors are U.S. citizens except for Mr. Perold, who is a citizen of South Africa.

formal submissions in connection with transactions approved by the Commission – to address this point.<sup>6</sup> To the best of Southern Light's knowledge, the companies identified in **Exhibit 1** to this amendment include all telecommunications carrier affiliates arising from Vanguard's ownership interests in Uniti Group.<sup>7</sup> Other than the companies listed in the Application, as further discussed in the Applicants' supplemental filing, and the companies identified herein as now affiliated through common ownership by Vanguard, neither Uniti Group nor Southern Light nor any of their subsidiaries holds any interests in, or is "affiliated" (as defined in 47 U.S.C. § 153(2)) with any other telecommunications service provider.

Respectfully submitted,

Southern Light, LLC

JKM Consulting, Inc. d/b/a M<sup>2</sup> Connections

By: /s/ Jeffrey R. Strenkowski
Jeffrey R. Strenkowski
Vice President, Deputy General
Counsel of Governmental Affairs

By: /s/ Janine Moses
Janine Moses
President

Dated: November 13, 2018

<sup>&</sup>lt;sup>6</sup> See, e.g., id.

<sup>&</sup>lt;sup>7</sup> The list in Exhibit 3 may be over-inclusive, as Applicants have erred on the side of inclusion where public details of Vanguard's interest-holdings are unclear or appear to disagree.

### Exhibit 1

The following entities have been identified as possible telecommunications carriers (or holding companies for operating subsidiary carriers) with which Southern Light is now affiliated as a result of Vanguard's ownership interest in Uniti Group:

**ADTRAN Inc**. (Vanguard interest approximately 10 percent) is a global provider of networking and communications equipment, enabling voice, data, video and Internet communications across network infrastructure in the United States and other countries.

**AT&T Inc**. (Vanguard interest approximately 13 percent) is a multinational telecommunications conglomerate.

**Cincinnati Bell Telephone** (Vanguard interest approximately 15 percent) is an incumbent local exchange carrier serving parts of Indiana, Kentucky, and Ohio.

**Cogent Communications Holdings** (Vanguard interest approximately 11 percent) is a provider of Internet access, IP transit, and related services in the United States and other countries.

Consolidated Communications Holdings Inc. (Vanguard interest approximately 17 percent) or its subsidiaries provide business and broadband communications to customers in California, Kansas, Missouri, Illinois, Texas, Pennsylvania, Minnesota, Iowa, North Dakota, South Dakota, and Wisconsin.

**CSG Systems International, Inc.** (Vanguard interest approximately 12 percent) provides business support solutions, primarily to the communications industry.

**CyrusOne Inc.** (Vanguard interest approximately 13 percent) provides data center services, Ethernet, multi-protocol label switching, and colocation in 10 states and related services in the United States and in at least two other countries.

**Digital Realty Trust, Inc.** (Vanguard interest approximately 17 percent) acquires, manages, and scales data center campuses, connecting customers to the cloud and other IT services.

**Equinix Inc.** (Vanguard interest approximately 13 percent) operates data centers and offers related services in approximately 12 U.S. markets and provides services in other countries.

**Harris Corporation** (Vanguard interest approximately 13 percent) is a technology company that provides communication systems, space and intelligence systems, electronic systems, and critical networks in the United States and other countries.

**Pareteum Corp** (Vanguard interest approximately 17 percent) is a provider of mobile networking software and services, providing Mobile Virtual Network Operators and Mobile Network Operators with cloud-based mobile communications infrastructure, operating software, and managed services in New York City, Seattle, and in other countries.

**Spok Holdings, Inc.** (Vanguard interest approximately 15 percent) provides communications services for healthcare, government, public safety, and other industries.

**Verizon Communications Inc.** (Vanguard interest approximately 11 percent) is a multinational telecommunications conglomerate.

**Windstream Services, LLC** (Vanguard interest approximately 10 percent) is a leading provider of advanced network communications and technology solutions for consumers, small businesses, enterprise organizations and carrier partners across the United States.